the Radium Institute will be a very useful addition to the medical equipment of the State.

Development Schemes.

10. The programme that I forecasted about certain schemes of development has been steadily pursued during the last one year. The electrification of Ernakulam and Trichur has now been undertaken and the work has advanced very considerably and it is expected that electricity will be available at Ernakulam in September and at Trichur in November. It is gratifying to note that even at the very commencement fairly substantial industrial loads are expected to be brought in. The Cochin State Power and Light Corporation who are the licensees for these two areas are already completing negotiations with the Tata Oil Mills Limited at Ernakulam for the supply of power to this concern. They are also carrying on negotiations for the supply of power to the Spinning Mill that is under construction near Trichur by the Cochin Textiles Limited. These two industrial concerns would take up a fairly substantial load at the very commencement of these schemes. It is proposed to supply electricity to Nemmara in the course of next year and provision has been made in the budget for this purpose. This scheme will be run by Government themselves as a part of the water works scheme at Nemmara. Arrangements are also under contemplation for the supply of electricity to Irinjalakuda town. With a view to encourage private enterprise in industry Government have taken preference shares for Rs. 1½ lakhs in the Cochin Textiles Limited. This amount represents 25 per cent of the issued capital of the company and is in the form of cumulative preference shares carrying interest at 6 per cent per annum. From the point of view of safety the investment is absolutely first rate and Government have not taken any risk in making this investment. There has been some criticism in certain quarters about this investment of the Government. Doubts have been raised whether there are any special facilities in the State for the growth of the textile industry especially in view of the fact that no cotton is grown in the State itself. The fact that the State does not grow cotton is no argument against the starting of textile mills if other conditions are favourable. In fact in Japan and the United Kingdom which are two of the greatest textile centres in the world no cotton is grown at all. The proximity of cotton growing districts to the State and the facilities afforded by the port for importing cotton from Bombay and Sind, the

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availability of cheap labour and proximity to consuming centres, all these are factors which are favourable to the growth of the textile industry in the State. Criticism has also been levelled on the ground that this industry has been started by foreigners. I want to make it perfectly plain that Government are not prepared to treat Indian business men coming from any part of India into the State as foreigners in any sense of the term. Cochin is too small a State to consider itself as a selfcontained unit and any invidious treatment meted out to non-Cochinites will react very unfavourably on the interests of His Highness' subjects. The practice of the Government in confining the recruitment to the public service to bona fide Cochinites has already had serious repercussions outside the State in that Cochinites are denied admission to any appointment outside Cochin. Apart from the number of Cochin subjects who hold many posts of responsibility both in Government and in private enterprise outside the State, there are a great many Cochinites who are carrying on trade outside the State. Any talk of treating outsiders as foreigners in the State will have serious repercussions on the business carried on by Cochinites themselves. Government will not therefore countenance any move intended to discourage or penalise the enterprise of Indians from any part of the country. Apart from these general observations which I thought it necessary to make with a view to clear up the position of the Government it should not be forgotten that the Cochin Textiles and the Power Corporation are not foreign companies in any sense of the term. These two companies have been registered under the Cochin Companies Regulation and have Cochinites amongst the shareholders and also on the directorate. Government will encourage all such enterprises by whomsoever they may be initiated provided they are proved to be sound and in the interests of the economic development of the State.

Waterway Communications.

11. Government have recently begun to devote greater attention to the development of the water way communications in the State. Representations have already been made to me about the need for the improvement of some of the water ways and for the opening of certain new ones. Investigations have already been started for the opening up of the Appanghat Canal at Narakkal and for connecting Irinjalakkuda with the backwaters. The scheme for improving the water way communication between Trichur and Ernakulam will be further

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